

# CALCASIEU TAX REVIEW

Vol. 28, Issue 1

## Tax Rate Increases

On October 24, 2015, the voters residing within the city of Lake Charles approved a .25% tax increase. Therefore, effective January 1, 2016, the overall tax rate for Column B (City of Lake Charles) will be 5.75% on the local sales and use tax return.

In addition, a new district will appear as Column I (Hope Economic Development District) on the local sales and use tax return. This district will have an overall rate of 7.75% for sales and use tax in Column I (Hope Economic Development District) effective January 1, 2016.

The new district will also levy an additional 2% hotel/motel tax on Column B (Hope Economic Development District) of the local hotel/motel return. This increase will bring the overall rate for hotel/motel tax in Column B (Hope Economic Development District) to 6%. This new district is located in Sulphur between R.W. Vincent Elementary at 1634 S. Beglis Parkway and The Boiling Point at 1732 S. Beglis Parkway. Please go to our website, [www.calcasieusalestax.org](http://www.calcasieusalestax.org) for a map of the boundaries of this district.

Dealers are advised that their point of sale equipment (registers) will need to be modified to reflect the new rates which will allow them to collect the proper tax amount beginning on or after January 1, 2016. Their account systems will also require upgrading to account for the tax increase for billing as well as reporting purposes.

## New Taxpayer Resource:

The Tax Research Information And Litigation Summary (TRIALS) system was developed as a research tool for local sales and use tax in the state of Louisiana. **TRIALS is intended to be used for information purposes only, and is not to be considered a legal opinion or legal advice.** You may take advantage of this resource at <http://trials.laota.com/>.

## ONLINE FILING

**“100% FREE”**

Don't forget our free online service for filing your sales tax reports. It is fast and convenient.

Go to [www.salestaxonline.com](http://www.salestaxonline.com) or <http://parishe-file.revenue.louisiana.gov> to get started.

Visit us on the web: [www.calcasieusalestax.org](http://www.calcasieusalestax.org)

## Due Dates for Sales and Use Tax Returns

| <u>Return:</u> | <u>Due By:</u> |
|----------------|----------------|
| Jan. 2016..... | Feb. 22, 2016  |
| Feb. 2016..... | Mar. 21, 2016  |
| Mar. 2016..... | Apr. 20, 2016  |
| Apr. 2016..... | May 20, 2016   |
| May 2016.....  | Jun. 20, 2016  |
| Jun. 2016..... | Jul. 20, 2016  |
| Jul. 2016..... | Aug. 22, 2016  |

## Sales Tax 101--Free Help to Dealers

Are you a new business owner and overwhelmed by the number of forms and information you need to produce? Maybe you've been in business a while but are unsure of exactly what forms you need to complete. Our office has the answer--Sales Tax 101 is a short session offered to dealers to help answer sales tax questions and make filing returns easier. You can download the Sales Tax 101 presentation from our website or call our office for more information or to schedule an appointment for individual assistance.



## Tax Treatment of Store Coupons vs. Manufacturer's Coupons

When a customer presents a manufacturer's coupon to a retail dealer which is redeemable by the retail dealer for the amount stated on the coupon, the sales tax should be charged on the "sales price" before deduction of the coupon discount. In this case, the total "sales price" is not reduced by the acceptance of the coupon. The dealer receives a portion of the "sales price" by the payment from the retail customer and the remaining portion of the "sales price" from the manufacturer through the seller's redemption of the coupon.

The sales tax of the manufacturer's coupon is contrasted with the sales tax treatment of coupons that are issued by retail dealers, where the coupons are not redeemable by the retail dealers after their allowance of discounts to their customers. When a retail dealer redeems a coupon that the retailer has issued, the retailer has lowered the "sales price" of the property or services. In such cases, the sales tax is calculated on the reduced amount after the allowance of the coupon discount.



## What Do the Tax Increases Mean For Real Property Contractors?

Construction contracts entered into prior to the effective date of the increase and reduced to writing within 90 days of the tax rate increase will not be subject to the new tax rate since their bids were submitted based upon the prior rate. Contractors should apply for an exemption certificate in order to provide to their suppliers these exemption certificates to be subject to the lower tax rate. This special provision only applies to lump sum or unit price construction contracts. It does not apply to cost plus or fixed fee based contracts.

To be exempt from the tax increase, the contractor will need to fill out an application for an exemption certificate and supply a copy of their signed contract with the beginning and ending dates of the contract. The contractor will need to apply for a separate exemption certificate for each job.

Vendors and dealers who have transactions that remain subject to the old rate will be required to submit a supplemental return reflecting those sales that are subject to the old rate in order not to have the higher rate computed. **The supplemental returns cannot be submitted online.** The return needs to be mailed to our office for processing. Typically, contractors, building material suppliers and other related suppliers are affected by these requirements. They should ensure that a properly completed exemption certificate has been obtained from the Calcasieu Parish Sales Tax Department in order to document the exemption.

If you should have any questions concerning the above requirements, please do not hesitate to contact us at (337) 217-4280, ext. 3422.

### Local Office Holidays

Our offices will be closed on the following dates for the holidays mentioned:

MLK Day.....Jan. 18, 2016

Mardi Gras.....Feb. 8 - 10, 2016

Easter.....Mar. 25 - Apr. 1, 2016

Independence Day..Jul. 4, 2016

In addition, regular office hours through May are 8:00 am to 4:30 pm. Our office is open during the lunch hour throughout the year.



### HOW TO CONTACT US

Our main number is **(337) 217-4280** and **fax number is (337) 217-4281**. Extension for general customer assistance is 3413; for administration, dial extension 3423; for delinquent returns, dial 3406; and for audit information, dial 3422.

## What Do Those Words Mean?

**Dealer** – Every person who manufactures or produces tangible personal property for sale at retail, for use, or consumption, or distribution, or for storage to be used or consumed in a taxing jurisdiction. Louisiana Revised Statutes 47:301(4) holds either party to any transaction, use, consumption, storage, or lease involving tangible personal property and either the performer or recipient of services can be held liable for payment of the tax.

**Nexus** – a seller having a minimum connection with the local taxing jurisdiction before that local taxing jurisdiction may impose collection duties of the local taxing jurisdiction's sales and use taxes on the seller. Local taxing jurisdictions have found nexus to exist where the seller conducted the following activities:

1. A place of business within the parish;
2. Have sales representatives within the parish making sales visits;
3. An office or warehouse located within the parish;
4. Regularly make deliveries in the seller's own vehicle in the local taxing jurisdictions;
5. Make installation and repairs of goods in a local taxing jurisdiction;
6. Utilized the local taxing jurisdiction's court to repossess goods; or
7. Enjoy the benefits of a local taxing jurisdiction's services such as police protection and use of highways, when performing services in a local jurisdiction for the benefit of customers.

Courts have ruled that nexus can be established by using third party vendors to make repairs on materials located in a taxing jurisdiction.



## My Sales Go Where?

One of the goals of the Calcasieu Parish School Board Sales Tax Department is to ensure that the taxing jurisdictions we represent receive the proper amount of sales and use taxes that are due to them. With that being said, we would like to ask for your help in achieving our goal of the proper reporting of sales and use tax. Here are some ways you can help:

1. Ask your customers when you make a sale if their delivery address is located inside or outside of the city limits.
2. If you have the delivery address of your customer and are unsure of whether a customer is inside or outside the city limits, you may call our office at (337) 217-4280, ext. 3413, and we would be happy to assist you in determining the proper column on our sales tax return to report those sales or use taxes.

Also as a reminder, 99% of the local industries located within Calcasieu Parish are located outside the city limits and should be reported in Column A. This is the unincorporated area of Calcasieu Parish except Ward 1 (Moss Bluff, Gillis, Topsy area). The current local tax rate for Column A is 5.75%.